

This listing of claims replaces all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Original) A method for targeting advertisements to a plurality of set top terminals during a program break, comprising:

assigning at least one primary advertisement to a first channel, the first channel carrying a program;

assigning at least one alternate advertisement to one or more alternate channels; and

switching selected ones of the plurality of set top terminals from the first channel to one of the one or more alternate channels based on information related to users of the set top terminals.

2. (Currently Amended) The method as recited in claim 1, further comprising:

creating a set top terminal group information indicating a group assignment for each of the plurality of set top terminals;

transmitting the group information to the set top terminals;

storing the group information in the set top terminals ~~terminal~~; and

comparing a program being watched to the group information to determine whether to switch to one of the one or more alternate channels during the program break.

3. (Original) The method as recited in claim 1 further comprising displaying at least one of the primary advertisement and the at least one alternate advertisement.

4. (Original) The method as recited in claim 1, wherein the information related to the users of the set top terminals includes demographic data and programs watched data.

5. (Original) The method as recited in claim 1, wherein the information related to the users of the set top terminals includes simulated demographic data, the simulated demographic data being generated by comparing programs watched data of the users to a sample user profile, the sample user profile based on demographic data from a statistically significant sample of users.

6. (Original) The method as recited in claim 1, wherein channels are switched transparently.

7. (Original) The method as recited in claim 6, wherein a full screen mask is used during a period when the channel switching occurs.

8. (Currently Amended) The method as recited in claim 1, each ~~the~~ set top terminal having a first tuner and a second tuner, the first tuner tuned to the first channel, and wherein the set top terminal switches to an alternate channel using the second tuner.

9. (Original) The method as recited in claim 1, further comprising:
creating a set top terminal group information indicating a group assignment for each of the plurality of set top terminals;
storing the group information at a remote location; and
comparing a program being watched to the group information to determine whether to switch a set top terminal to one of the one or more alternate channels during the program break, wherein a controller at the remote location compares the program being watched to the group information.

10. (Original) The method as recited in claim 9, further comprising displaying at least one of the primary advertisement and the at least one alternate advertisement.

11-16. (Cancelled)

17. (Original) A method for targeting advertisements to a plurality of set top terminals, comprising:

creating a set top terminal group information indicating a group assignment for each of a plurality of set top terminals;
transmitting the group assignment information to the respective set top terminals;
storing the group assignment information in the respective set top terminals;

informing the set top terminals which of a plurality of advertisement channels is assigned to a television program category, the channels corresponding to the respective set top terminal's group assignment information;

receiving, by each set top terminal, data related to the respective set top terminal's assigned group;

determining the television program category based on a currently watched program;

correlating the television program category with the set top's assigned group to determine an advertisement channel for viewing; and

switching the respective set top terminals to the channel determined for viewing.

18. (Original) The method as recited in claim 17, wherein one advertisement channel is assigned for each of eight television program categories.

19. (Original) The method as recited in claim 17, wherein channels are switched transparently to a user.

20. (Original) The method as recited in claim 17, further comprising displaying respective selected advertisement on the respective set top terminals.

21. (Original) The method as recited in claim 17, wherein the channel switched to by the respective set top terminals is further based on information related to users of the set top terminals.

22. (Original) The method as recited in claim 21, wherein the information related to the users of the set top terminals includes demographic data and programs watched data.

23. (Original) The method as recited in claim 21, wherein the information related to the users of the set top terminals includes simulated demographic data, the simulated demographic data being generated by comparing programs watched data of the users to a sample user profile, the sample user profile based on demographic data from a statistically significant sample of users.

24. (Original) The method as recited in claim 23, wherein a full screen mask is used during a period when the channel switching occurs.

25. (Currently Amended) The method as recited ~~recite~~ in claim 17, the set top terminal having a first tuner and a second tuner, the first tuner tuned to the first channel, and wherein the set top terminal switches to an alternate channel using the second tuner.

26. (Original) The method as recited in claim 17, further comprising:
storing the group information at a remote location; and
comparing a program being watched to the group information to determine whether to switch a set top terminal to one of the one or more alternate channels during the program break, wherein a controller at the remote location compares the program being watched to the group information.

27. (Original) The method as recited in claim 17, wherein multiple advertisements are transmitted on a single channel, further comprising:
pre-recording advertisements prior to transmitting to the respective set top terminals; and
scaling and repositioning video on respective displays, the displays operably connected to respective set top terminals, wherein the video corresponds to an advertisement selected for viewing.

28. (Original) The method as recited in claim 27, further comprising performing, by the set top terminal audio switching to amplify audio corresponding to a correct video portion of the display.

29. (Original) The method as recited in claim 17, wherein multiple advertisements are transmitted on a single channel, further comprising:
pre-recording advertisements prior to transmitting to the respective set top terminals; and
masking video on respective displays, the displays operably connected to respective set top terminals, wherein the video corresponds to an advertisement selected for viewing.

30. (Original) A system for targeting advertising to at least one subscriber comprising:

a processor having means for selecting an advertisement from pre-selected advertising categories, wherein the selecting means selects a plurality of advertisements, and wherein the processor is a network controller;

means for gathering information corresponding to currently watched television programs;

means for correlating the currently watched programs information with categories of the pre-selected advertisements, wherein each advertisement category includes at least one advertisement; and

a transmitter, wherein a selected advertisement selected by selecting means is transmitted, and wherein the transmitter transmits the selected advertisements on a single channel; and

a display, operably connected to a set top terminal, on which the transmitted advertisement is displayed via a single channel, wherein the set top terminal switches channels based on which advertisement is selected, the selected advertisement corresponding to the correlated currently watched programs information and categories of the pre-selected advertisements.

31. (Currently Amended) The system as recited in claim 30, wherein the set top terminal scales and repositions video for the display, the video being displayed on a portion of the display displaying the selected advertisement.

32. (Original) The system as recited in claim 30, wherein advertisement video displayed is targeted to individual set top terminals.

33. (Currently Amended) The system as recited in claim 30, wherein the selected advertisement is one of video commercials, infomercials, and promotional video, wherein infomercials are time varying video segments greater than 30 seconds.

34. (Currently Amended) The system as recited in claim 33, wherein the promotional video includes future television programming available on the set top terminal, the future programming targeted to individual set top terminals based on analysis of currently watched television programs, and wherein a user selects a future program to view by operating a select button on a set top terminal remote control.

35. (Currently Amended) The system of claim 33, wherein the promotional video includes a description of future programming, a time and date of availability, and a cost to purchase.